



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: MTC Advisory Committees

DATE: May 28, 2008

FR: Ashley Nguyen, MTC Staff

W. I.

RE: Transportation 2035: Investment Tradeoffs

Making Tradeoffs

We are now at a point in our Transportation 2035 journey where we have to make some tough tradeoff decisions about where we invest our transportation dollars. As we have reviewed with you, of the \$220 billion in revenue projected to be available to the region over the next 25 years, \$190 billion is committed by voter mandate, statute or Commission policy toward maintaining and expanding our existing transportation system. This leaves \$30 billion in uncommitted discretionary revenues. Transportation priorities vying for this \$30 billion include: transit, local road, and State highway maintenance shortfalls; system operations strategies like the Freeway Performance Initiative; programs aimed at focused growth, climate protection, and Lifeline service; and numerous capacity expansions throughout the region.

Given the many competing transportation priorities, the question we must ask ourselves is “*How much do we allocate to Option A versus Option B?*” and then we must make actual tradeoff decisions such as “*What are the consequences of investing in one area over another?*”

To jump-start the tradeoff discussions, staff developed a menu of options in the investment categories of maintenance, system efficiency and expansion for initial discussion at the Commission workshop held on May 27 (see Attachment A). For each investment category, there are four investment options that emphasize a different objective and result in a particular funding level. Staff presented these investment options to the Commission at a Commission workshop on May 27; and our partner agencies, stakeholders, and the public shared their perspectives on these options as part of the workshop discussion.

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After a lively discussion of the issues and tradeoffs during the workshop, the Commission developed three draft alternative investment packages that focused on different investment levels for maintenance, system efficiency, and expansion.

Staff will present these three draft investment packages to you at your Joint Advisor Workshop on June 5.

These packages will be subject to further partner, public and Commission discussion in June, and the process will culminate in a preferred investment plan for Commission review and approval in July.